

**WILLMAR CITY COUNCIL PROCEEDINGS**  
**COUNCIL CHAMBERS**  
**WILLMAR MUNICIPAL UTILITIES BUILDING**  
**WILLMAR, MINNESOTA**

June 16, 2014  
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Frank Yanish. Members present on a roll call were Mayor Frank Yanish, Council Members Denis Anderson, Ron Christianson, Steve Ahmann, Audrey Nelsen, Tim Johnson, Jim Dokken, Rick Fagerlie and Bruce DeBlieck; Present 9, Absent 0.

Others present were City Administrator Charlene Stevens, Interim Police Chief Jim Felt, Public Works Director Sean Christensen, Planning and Development Director Bruce Peterson, Finance Director Steve Okins, City Clerk Kevin Halliday, Community Education and Recreation Director Steve Brisendine, and City Attorney Robert Scott.

Council Member Ahmann noted he would like to add the Police Chief Vacancy to the agenda. Mayor Yanish stated it would be addressed after the Willmar Fests Ambassadors Introduction.

Council Member Anderson offered a motion adopting the Consent Agenda which included the following: City Council Minutes of June 2, Willmar Municipal Utilities Minutes of June 9, Mayoral Appointments of both Jodi Wambeke and Susan Mattson to the Willmar Citizen's Cable Advisory Committee, Accounts Payable Report through June 11, and the Building Inspection Report for the Month of May, 2014. Council Member Dokken seconded the motion, which carried.

Council Member DeBlieck commented on the Willmar Municipal Utilities minutes and informed the Council that the repair parts for Wind Turbine No. 4 have been manufactured and are in route to the City with delivery expected this week.

Mayor Yanish recognized Willmar Fests Board Vice President James Miller who thanked the City Council and staff for their help and support and extended invitations to the events scheduled for the community celebration. He acknowledged Rudy Vigil's efforts for the broadcast of events on WRAC 8. He then introduced the 2014 Willmar Fests Royalty: Aqua Princess, Victoria Hagen, International Princess, Danica Seifert and Queen of Festivals, Laura Swartz. Ms. Swartz thanked the Mayor and Council for their past support and gave a PowerPoint presentation detailing the events they have attended as representatives of Willmar. Mayor Yanish thanked them for their commitment as Ambassadors for the City and for their attendance at numerous parades and city celebrations.

City Administrator Stevens informed the Council of the status of filling the vacancy for Police Chief. Two candidates were interviewed for the position. The interview panel recommends Captain James Felt, who has been a member of Willmar's Police Department his entire career at a salary of \$85,000. Council Member Ahmann moved to approve the recommendation of the hiring committee, with Council Member Johnson seconding the motion, which carried. James Felt thanked the Council for the opportunity to continue to serve the community in the capacity of Police Chief.

At 7:18 p.m. Mayor Yanish opened the hearing for the 2014 Street and Other Improvements. Public Works Director Sean Christensen reviewed the projects included with a PowerPoint Presentation. He described the payment process for assessments and detailed the proposed construction of each street segment. Some areas are proposed to be reconstructed, others consist of a mill and overlay, and a segment of 12<sup>th</sup> Street SE will be new construction. The total project cost is close to \$2 million with the assessed value of about \$802,000, with the remaining cost to be paid by the City.

Gary Nielsen of 406 NW 9<sup>th</sup> Street addressed the Council questioning the benefit to his property for the assessments. He stated to his knowledge there would be no utility connections onto his property and he felt the street is in remarkably good condition. His utility services come from Ella Avenue and his driveway is on Lake Avenue. He stated there are no problems with drainage and he requested the removal of that block from the proposed reconstruction project. It appears to him there is no benefit to his property. Public Works Director Sean Christensen addressed his comments informing the Council that the storm sewer in this area is being upsized from a 12-inch clay pipe to a 15-inch PVC and would provide a benefit to his property. Mr. Nielsen reiterated that his property drains north to Ella Avenue, with no benefit.

Bill Kallhoff of 317 NW 9<sup>th</sup> Street also addressed the Council questioning the improvement to 9<sup>th</sup> Street NW as to why it's being made "bigger and better" if it doesn't appear to be needed. Public Works Director Sean Christensen focused on the fact that this particular street only has 1 ½ inches of bituminous surface in place, which is below current standards and it is only a matter of time before the street fails. Original construction took place in 1951 with some water main being patched in 1982. Reconstruction of this street is in accordance with the 1995 Pavement Management Policy.

Don Cole of 521 SW 10<sup>th</sup> Street passed out a petition signed by every property owner on 10<sup>th</sup> Street SW relative to the proposed overlay project. These homeowners contest the road is not in need of repair at this time. Their concerns are there are other streets within the City in much worse condition. Public Works Director Sean Christensen explained the City's Pavement Management Plan to those present explaining that the streets scheduled for mill and overlay are considered "savable" at this point of time, before they go to the full-reconstruct state, which is four times the amount of money. Postponing the street affects the street schedule and may result in reconstruction years later.

Justin Sharp of 524 SW 10<sup>th</sup> Street requested the City do Minnesota Avenue first as it's in much worse condition and stated all his neighbors feel the same. He questioned the amount of gravel base and how this will affect the longevity of the street.

Terry Brunson of 520 SW 9<sup>th</sup> Street urged the Council to remove 9<sup>th</sup> Street SW as he felt the work is not needed and the road is in great shape. Fiscally restricted times and the money should be spent where it is needed. He spoke representing his neighbors requesting 9<sup>th</sup> Street SW be removed from the project.

After all were heard to speak for or against the improvements, Mayor Yanish closed the hearing at 7:59 p.m.

The Council requested clarification on how the projects were bid and the possibility of streets being removed from the project. Public Works Director Sean Christensen stated that 9<sup>th</sup> Street SW could be pulled, but if 10<sup>th</sup> Street SW was also pulled, the project would have to be rebid. The funding process was discussed and addressed by City Administrator Charlene Stevens. Consideration was given to rebidding the project and the schedule discussed.

After a lengthy discussion, Resolution No. 1 was introduced by Council Member Fagerlie calling for the adoption of the proposed assessment roll excluding the mill and overlay of 9<sup>th</sup> Street SW from the project and rejecting the objections of reconstruction of 9<sup>th</sup> Street NW and the mill and overlay of 10<sup>th</sup> Street SW. The resolution was seconded by Council Member Ahmann, reviewed by Mayor Yanish, and failed on a roll call vote of Ayes 3, Noes 5. Council Members Anderson, Christianson, Johnson, Dokken and DeBlicke voted no.

#### RESOLUTION NO. 1

#### ADOPTING ASSESSMENT ROLL

WHEREAS, pursuant to notice duly given as required by law, the City Council has met, heard, and passed upon all objections to the proposed assessment for 2014 Street and Other Improvements, and has amended such proposed assessment as it deems just;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, as follows:

1. Such proposed assessment, the sum of \$802,374.62, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefited by the proposed improvement listed as Project 1401.

2. Such assessments shall be as follows:

A. The assessments shall be payable in equal annual installments extending over a period of ten (10) years, the first of said installments to be payable with general taxes for the year 2014, collectible with such taxes during the year 2015.

B. To the first installment shall be added interest at the rate of four and seventy-five hundredths (4.75) percent per annum on the entire principal amount of the assessment from the date of funding, approximately July 1, 2014, until December 31, 2015. To each subsequent installment, when due there shall be added interest for one year at said rate on the unpaid principal amount of the assessment.

C. The owner of any property so assessed may at any time prior to the certification of the assessment or the first installment thereof to the County Auditor (Treasurer), pay the whole of the principal amount of the assessment on such property with interest accrued to the date of payment to the City Clerk-Treasurer, except that no interest shall be charged if the entire assessment is paid by October 31, 2014, and such property owner may at any time prior to November 15 of any year pay to the City Clerk-Treasurer the entire principal amount.

3. The City Clerk-Treasurer shall forthwith transmit a certified duplicate copy of this assessment to the County Auditor to be extended on the tax list of the County.

Dated this 16th day of June, 2014.

Council Member Anderson moved to introduce a resolution adopting the proposed Assessment Roll for the 2014 Improvement Projects rejecting all arguments from the public. The action failed due to lack of a second.

Resolution No. 2 adopting the assessment roll to include only the proposed reconstructed streets and the new construction of 12<sup>th</sup> Street SE was introduced by Council Member Fagerlie, seconded by Council Member Christianson. During discussion, a motion was made by Council Member Ahmann to amend the resolution noting the rejection of the objections of the residents representing 9<sup>th</sup> Street NW, seconded by Council Member Christianson, which carried. Resolution No. 2 was then reviewed by Mayor Yanish, and passed on a roll call vote of Ayes 5, Noes 3. Council Members Anderson, Nelsen and DeBlicke cast the no votes.

## RESOLUTION NO. 2

### ADOPTING ASSESSMENT ROLL

WHEREAS, pursuant to notice duly given as required by law, the City Council has met, heard, and passed upon all objections to the proposed assessment for 2014 Street and Other Improvements, and has amended such proposed assessment as it deems just;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, as follows:

1. Such proposed assessment, the sum of \$475,491.45, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein is hereby found to be benefited by the proposed improvement listed as Project 1401.

2. Such assessments shall be as follows:

A. The assessments shall be payable in equal annual installments extending over a period of ten (10) years, the first of said installments to be payable with general taxes for the year 2014, collectible with such taxes during the year 2015.

B. To the first installment shall be added interest at the rate of four and seventy-five hundredths (4.75) percent per annum on the entire principal amount of the assessment from the date of funding, approximately July 1, 2014, until December 31, 2015. To each subsequent installment, when due there shall be added interest for one year at said rate on the unpaid principal amount of the assessment.

C. The owner of any property so assessed may at any time prior to the certification of the assessment or the first installment thereof to the County Auditor (Treasurer), pay the whole of the principal amount of the assessment on such property with interest accrued to the date of payment to the City Clerk-Treasurer, except that no interest shall be charged if the entire assessment is paid by October 31, 2014, and such property owner may at any time prior to November 15 of any year pay to the City Clerk-Treasurer the entire principal amount.

3. The City Clerk-Treasurer shall forthwith transmit a certified duplicate copy of this assessment to the County Auditor to be extended on the tax list of the County.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Council Member Ahmann made a motion to accept the objections levied by property owners of 9<sup>th</sup> Street SW and 10<sup>th</sup> Street SW and not adopt the assessment roll of all overlay streets listed. Council Member Fagerlie seconded the motion, which passed on a roll call vote of Ayes 5, Noes 3. Council Members Anderson, Nelsen and DeBlieck cast the no votes.

At 9:00 p.m. Mayor Yanish opened the hearing for the Annual Storm Water Permit/Pollution Prevention Program. Jared Voge, consulting engineer with Bolton and Menk, brought forth the information relating to the City's 2013 Storm Water Report, which is part of an annual permitting requirement of the MPCA. The report provided an update on the City's status of compliance with the MS4 permit conditions and what the future storm water compliance plans are. The City inspected and inventoried ponds and wetlands, conducted erosion and sediment control site inspections, 4,665 CY of sediment was removed from City streets and 133 of the total 158 outfalls were inspected. The hearing closed at 9:05 p.m. Following discussion, Council Member Christianson moved to accept the 2013 Storm Water Permit/Pollution Prevention Program report with Council Member DeBlieck seconding the motion, which carried.

Mayor Yanish called a recess to the meeting at 9:07 p.m. At 9:18 p.m. the Council reconvened.

Mayor Yanish acknowledged that no one had signed up to address the City Council during its scheduled Open Forum.

The Finance Committee Report for June 9, 2014 was presented to the Mayor and Council by Council Member Anderson. There were seven items for consideration.

Item No. 1        There were no comments from the public.

Item No. 2        Staff explained that 2014 is the last year of the first five-year agreement with the Northwoods League and Willmar Baseball LLC for use of the Bill Taunton Stadium at Baker Diamond. A new five-year lease is being proposed effective August 25, 2014 through August 25, 2019, and has been reviewed by the City Attorney. It was noted that rents were increased by \$18,540 over the previous agreement for the five-year period and that these rates are comparable with statewide cities of like-size. The new agreement details more specific rent payment guidelines and insurance requirements, has more City control on playability of the field, details concession stand rules, grants Community Ed & Recreation additional signage, prohibits political signage and candidate endorsement, and controls the Facility Close Down dates. Staff time for maintenance of the facility and recycling issues were discussed. It was suggested that an announcement could be made in the 7<sup>th</sup> inning asking patrons to take their garbage to the receptacles when leaving the game.

The Committee was recommending the Council accept the five-year agreement with the Northwoods League and Willmar Baseball LLC and authorize the Mayor and City Administrator execute it on behalf of the City. Resolution No. 3 was introduced by Council Member Johnson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to enter into a Facility Lease Agreement with the Northwoods League, Inc., and Willmar Baseball, LLC, for the five-year period August 25, 2014, through August 25, 2019.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 3        Staff explained that Arvig Enterprises has contracted with State and County Officials to install redundancy connections and they need to install wires in the City Right-of-Way. Pursuant to Article VII, Section 8.01 of the City Code, it is required that Arvig obtain a license from the City to perform this task. Pursuant to Minnesota Statutes Sections 237.162 and 237.163, it is required that Arvig enter into a License Agreement with the City of Willmar to use the City Right-Of-Way. In order to cover administrative costs, it is staff's recommendation to establish a fee of \$2,000 to be charged per project for this and future agreements of this nature.

The Committee was recommending the Council authorize the Mayor and City Administrator to execute the License Agreement with Arvig Enterprises, Inc., as presented and to establish the \$2,000 fee per project agreement. Resolution No. 4 was introduced by Council Member Johnson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to enter into a License Agreement with Arvig Enterprises, Inc. to install redundancy connections in City Right-Of Way as specified in the Agreement.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 4 The Committee reviewed invoices the City has received for ditch repairs within the City limits in the amount of \$156,270.29, however, the 2014 Budget includes only \$20,000 for these repairs. It is being proposed that the remaining \$136,271 be funded through the Surface Water Management Fund leaving approximately \$72,000 remaining in that fund. The invoiced costs being levied are based on the prior year's expenses which include both ditch maintenance and the cost of the viewers to perform the Redetermination of Benefits of County Ditches. It was the recommendation of the Committee to reallocate \$136,271 from the Surface Water Management Fund to fund the excess costs for County Ditch Repairs. Council Member Fagerlie seconded the motion which carried.

Resolution No. 5 was introduced by Council Member Johnson, seconded by Council Member Dokken, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

BE IT RESOLVED by the City Council of the City of Willmar to authorize the Finance Director to reallocate the 2014 Budget Amount for the County Ditch Improvements Project as follows:

General Fund:

Increase:	Maintenance of Other Improvements Expenditures	\$ 136,271
Increase:	Transfer In – Surface Water Management	\$ 136,271

C.P. Surface Water Management Fund

Increase:	Transfer Out – General Fund	\$ 136,271
Decrease:	Fund Balance	\$ 136,271

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 5 The Committee was reminded that a CIP Work Session is scheduled for June 23, 2014, at the Municipal Utilities Auditorium.

Item No. 6 There was no old business to come before the Committee.

Item No. 7 Under New Business staff explained to the Committee that James Anfinson wishes to construct a concrete driveway on his residential property in southwest Willmar. This driveway would encroach on the City's public right-of-way which is on a road that has no improvements constructed to date. Pursuant to that, an Encroachment License Agreement, prepared by the City Attorney, was presented to the Committee for their review. In order to cover administrative costs, it is staff's recommendation to establish a fee of \$450 to be charged per project for this and future agreements of this nature. The Committee was recommending the Council authorize the Mayor and City Administrator to execute the Encroachment License Agreement with James Anfinson, as presented and to establish the \$450 fee per Encroachment License Agreement.

Resolution No. 6 was introduced by Council Member Johnson, seconded by Council Member DeBlick, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to enter into an Encroachment License Agreement with James Anfinson to construct a concrete driveway at 2309 Williams Parkway Southwest, Willmar, Minnesota, as specified in the Agreement.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Council Member Fagerlie thanked Ryan Voz and Marc Jerzak representatives for the Willmar Stingers for their presence in Willmar. Mr. Voz spoke briefly about the recycling program and thanked the Council.

The Finance Committee Report for June 9, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Johnson, seconded by Council Member Dokken, and carried.

The Public Works/Safety Committee Report for June 10, 2014 was presented to the Mayor and Council by Council Member Christianson. There were eight items for consideration.

Item No. 1 Under Public Comment, Willmar citizen Don Cole brought forth questions regarding the process to determine street repairs. As a resident of 10<sup>th</sup> Street SW, he does not believe that 10<sup>th</sup> Street needs any repairs. Staff explained the Pavement Management Plan rates streets on a scale from 1 to 100, 100 being the best street condition and 1 being the worst condition. The options of maintaining a street starts with crack sealing, followed by seal coating, mill and overlay, and finally reconstruction. This was received for information only.

Item No. 2 Staff presented a recommendation to the Committee to approve Contract No. 1301-A Change Order #1. The project was awarded to Duininck Inc. on May 9, 2013, for the street improvements to Kandiyohi Avenue SW from 1<sup>st</sup> Street to 7<sup>th</sup> Street SW, and 11<sup>th</sup> Street to 15<sup>th</sup> Street. Staff noted minor extra work was required to correct grade and drainage problems. Change Order No. 1 in the amount of \$10,875.60 was negotiated with the contractor to address the added work. Project funding was discussed with the committee, noting the design engineer has agreed to pay these additional contract costs for completing the work.

Staff suggested the possibility of using an escrow account provided by the engineer to cover any modifications to the completed work. The Council also suggested an idea of having the engineer sign a

document stating any problems that arise with the engineer plans, they are held liable for resolving the issues.

The Committee discussed the change order and recommended Council approval. Resolution No. 7 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

WHEREAS, the City of Willmar entered into a contract on May 9, 2013 for Project No. 1301-A with Duininck, Inc. for the Kandiyohi Avenue Southwest Street Improvements; and

WHEREAS, Kandiyohi Avenue Southwest Street Improvements required minor extra work; and

WHEREAS, the minor extra work has been agreed to and completed by the contractor; and

WHEREAS, the design engineer, Bollig, Inc. has agreed to make payment for the required minor extra work; with a \$10,875.60 change to the contract price known as Change Order No. 1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that:

1. Additional work is herewith authorized to be added to the above contract in the amount of \$10,875.60 and identified as Change Order No. 1.
2. Funding for the additional work is from the design engineer.

BE IT FURTHER RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the contract total is revised to \$1,332,049.80 for Project 1301-A for the Kandiyohi Avenue Southwest Street Improvements.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 3 Staff presented a policy to establish how the City will implement a method to meet the minimum sign retroreflectivity requirements in the manual on Uniform Traffic Control Devices. The goal of this policy is to improve public safety on the City's streets and maximize the City's limited resources to replace signs. It was noted there was no financial consideration at this time as it is only adopting the policy and creating a database of the signs retroreflectivity by Public Works staff.

The Committee considered the policy and recommended it be adopted formally by the Council. Resolution No. 8 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 8

WHEREAS the purpose of this policy is to establish how the City will implement an assessment or management method, or combination of methods, to meet the minimum sign retroreflectivity requirements in the Minnesota Manual on Uniform Traffic Control Devices (MN MUTCD).

WHEREAS substantial conformance with the MN MUTCD is achieved by having a method in place to maintain minimum retroreflectivity levels.

WHEREAS conformance does not require or guarantee that every individual sign in the City will meet or exceed the minimum retroreflectivity levels at every point in time.

WHEREAS the goal of this policy is to improve public safety on the City's streets and roads and prioritize the City's limited resources to replace signs.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willmar, hereby adopts the policy of Sign Retroreflectivity.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 4 Staff presented a recommendation to award the 2014 Street Lighting contract to Zenergy, LLC in the amount of \$63,489.00, authorize the Mayor and City Administrator to execute the agreement on behalf of the City, and amend the budget of the Local Option Sales Tax to fund the project. The project will install LED lights on Willmar Avenue SW from 22<sup>nd</sup> Street to 30<sup>th</sup> Street SW. The Committee concurred with staff and recommended award of the contract, as well as authorizing the Finance Director to amend the budget.

Resolution No. 9 was introduced by Council Member Christianson, seconded by Council Member Dokken, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 9

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Zenergy, LLC of Sebeka, Minnesota for the 2014 Street Lighting Project is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$63,489.00.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 5 Staff recommended the approval for the Willmar Police Department to apply with the Wal-Mart Foundation for a \$1,000 grant for the Shop with a Cop event. The Police Department has participated with the Willmar Wal-Mart Foundation for over ten years in this program, and officers volunteer their time to assist underprivileged children in shopping for holiday gifts for their family. The Committee recommended the Council approve the grant application.

Resolution No. 10 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 10

BE IT RESOLVED by the City Council of the City of Willmar to approve an application by the Willmar Police Department for, and the acceptance of, a Wal-Mart Foundation's Grant for the Shop with a Cop program.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 6 Staff recommended the approval for the Willmar Police Department to apply with the Wal-Mart Foundation for a \$1,000 grant to fund a portion of the DARE program. The Police Department has been active in the DARE program since 1990, and the Wal-Mart Foundation has been a regular contributor for over 10 years to the program. The Committee recommended the Council approve the grant application.

Resolution No. 11 was introduced by Council Member Christianson, seconded by Council Member DeBlicek, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 11

BE IT RESOLVED by the City Council of the City of Willmar to approve an application by the Willmar Police Department for, and the acceptance of, a Wal-Mart Foundation's Grant for the DARE program.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Item No. 7 Under Old Business Interim Police Chief Jim Felt noted the jail census for June 10, 2014, was 99, and that the calls for service for the previous two weeks totaled 798; with a total of 1,545 calls total since the Public Works/Safety Meeting of May 13<sup>th</sup>, 2014. This was received for information only.

Item No. 8 Under New Business staff recommended the approval of roof maintenance and repairs to the Public Works Garage. The repairs are to resolve leaking issues that have materialized in the last two years. Two quotes were received and West Central Roofing submitted the low quote of \$20,104.37 to replace the office area with a Duro-Last Roofing System, repairing other problem areas and adding in 18 downspout extensions. It was the Committee's recommendation to approve the quote for maintenance and repairs and enter into an agreement with West Central Roofing.

Resolution No. 12 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 12

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the quote of West Central Roofing Contractors, Inc. of Willmar, Minnesota for roof repairs at the Public Works Garage is accepted, and be it further resolved that the Mayor and City Administrator of the

City of Willmar are hereby authorized to enter into an agreement with the contractor for the terms and consideration of the contract in the amount not to exceed \$20,104.37.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Council Member Christianson brought forth the topic of burning permit discussions for Fire Chief Gary Hendrickson, regarding the need to formulate a policy to not allow any burning of brush within the City limits. City residents are encouraged to use the Brush Site for any piles of leaves, branches, and grass trimmings in need of disposal. Clarification is also needed to define what is appropriate for burning in a fire pit. This was received for information only.

The Public Works/Safety Committee Report for June 10, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Fagerlie, and carried.

The Community Development Committee Report for June 12, 2014 was presented to the Mayor and Council by Council Member Fagerlie. There were seven items for consideration.

Item No. 1        There were no public comments.

Item No. 2        The Committee continued discussion of a staff proposal to increase building permit fees from the 1994 fee schedule to the 1997 fee schedule. Included in the staff proposal was a request to increase plumbing permit fees from \$7.00 per fixture to \$20.00 per fixture. This would bring the plumbing permit fee schedule more in line with the State of Minnesota that charges \$25.00 per fixture. Staff presented a comparison of permit fees for projects of various valuations under both the 1994 and 1997 UBC fee schedules, as well as from the 2003 League of Minnesota Cities recommended fee schedule. Staff further explained their attempt to do a cost accounting of the permitting process. A handout was discussed that showed the percentage of the departmental budgets applied to the cost of providing the service on a cost accounting basis. The Committee asked if the increase in fees would require a public hearing. Staff informed the Committee it would require a public hearing for the adoption of an ordinance. It was noted that there is no rush to adopt an ordinance; staff was looking for direction for the 2015 budget. Any proposed fee increase would not take place until January 1, 2015.

It was the Committee's recommendation to pursue the adoption of the ordinance to change the building permit fee schedule from the 1994 UBC, and to increase plumbing permit fees from \$7.00 per fixture to \$20.00 per fixture. Council Member Fagerlie moved to approve the recommendation, with Council Member DeBlick seconding the motion, which carried.

Item No. 3        Staff presented information related to a preliminary proposal to erect vertical access wind turbines on City-owned property near the Waste Water Treatment Facility. The purpose of the project would be to provide power to the Waste Water Treatment Facility and, in theory, save the City money. It was noted that the proposal had not been formally vetted by Willmar Municipal Utilities. There are certain cost impacts on the Utilities and City that would result from the project. The Committee was concerned that the Utilities have an opportunity to review the proposal internally prior to any type of action by the Council. The matter was received for information only and staff will refer the proposal to Willmar Municipal Utilities.

Item No. 4        Staff presented information on year-to-date construction levels and gave the Committee a look at projects that are expected to be permitted within the next month. The total of projects to-date and those that have been received for plan review exceed \$40,000,000 in commercial/industrial activity. This was received for information only.

Item No. 5 Under Old Business staff updated the Committee on the status of the Erickson building, Historic 313 - 4<sup>th</sup> Street building, and the vacant structure at 515 - 7<sup>th</sup> Street Northwest.

Item No. 6 Under New Business Jill Bengtson of the Kandiyohi County Housing and Redevelopment Authority was present to discuss the transfer of Section 8 and public housing programs from the Willmar HRA to the County HRA. The United States Department of Housing and Urban Development is looking to have a July 1, 2014 closing on the transfer of the two programs. Following the transfer of those programs, discussion will continue prior to any action to formally dissolve the City HRA and to transfer its authority and operation to the County. It was a consensus of the Committee that no action be taken at this time. The Committee requested City Attorney review of the matter prior to Committee or full Council action. Other concerns included possible opportunities for efficiency by consolidating administrative functions and costs, as well as representation on the County HRA Board once the City HRA is formally dissolved. The Committee asked staff to forward the HRA program transfer documents to the City Attorney, and received the matter for information only, pending attorney review.

City Attorney Robert Scott had the opportunity to review the agreement prior to the Council meeting and addressed the Council. He explained the transfer agreement in detail which allows the City's assets in HRA to be transferred to the County's HRA. There is also an amendment to the cooperation agreement that under Statute allows the PILOT (Payment in Lieu of Taxes) payments be made to the County, and they will be authorized to disperse the payments to all the taxing bodies that would have received property taxes, if it were not tax exempt. City Attorney Robert Scott approved the transfer agreement and amendment.

Resolution No. 13 was introduced by Council Member Fagerlie, seconded by Council Member DeBlieck, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

#### RESOLUTION NO. 13

A RESOLUTION AUTHORIZING EXECUTION OF NOVATION AGREEMENT TRANSFERRING COOPERATION AGREEMENT, FIRST AMENDMENT TO COOPERATION AGREEMENT, AND ALL DOCUMENTS NECESSARY FOR TRANSFER OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF WILLMAR PUBLIC HOUSING PROJECTS AND OTHER PROJECTS; APPROVING TRANSFER OF OWNERSHIP AND OPERATION OF THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF WILLMAR PUBLIC HOUSING PROJECTS AND OTHER PROJECTS; AND AUTHORIZING THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF WILLMAR TO PREPARE A PLAN OF DISSOLUTION

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

#### Section 1. Recitals.

1.01. The Housing and Redevelopment Authority in and for the City of Willmar (the "Willmar HRA") has requested that the Kandiyohi County Housing and Redevelopment Authority (the "Authority") own and operate: (a) the Willmar HRA federally assisted public housing projects identified and known as the Project Numbers and located at addresses set forth in Exhibit A of the Transfer Agreement in the City of Willmar, Minnesota (collectively, the "Public Housing Projects"); and (b) all other Willmar HRA housing projects identified and located at the addresses set forth in Exhibit A of the Transfer Agreement in the City of Willmar, Minnesota (collectively, the "Other Projects" and collectively with the Public Housing Projects, the "Projects").

1.02. The Public Housing Projects are subject to a Cooperation Agreement between the Willmar HRA and the City (the "Cooperation Agreement") regarding, among other things, the payment of PILOTS to the City.

1.03. The Department of Housing and Urban Development ("HUD") is requiring that the Cooperation Agreement be transferred from the Willmar HRA to the Authority.

1.04. By statute, the Authority is required to pay PILOTS to Kandiyohi County, and the City is willing to acknowledge such requirement in an amendment to the Cooperation Agreement.

1.05. The Public Housing Projects serve low income households.

1.06. The Authority owns and operates other income restricted housing developments aimed at providing affordable housing for low income households.

1.07. The Authority has drafted a Transfer Agreement outlining the transaction and the responsibilities of each party and has prepared and/or reviewed other documents necessary to transfer the Projects from the Willmar HRA to the Authority, and provisions requested by HUD have been included in the Transfer Agreement and other documents.

1.08. The Willmar HRA, at a meeting currently scheduled for June 26, 2014, plans to authorize execution of the Transfer Agreement, finalization and closing of the transaction contemplated by the Transfer Agreement, and execution, acceptance and/or delivery of such other documents as are necessary to transfer the Projects to the Authority and carry out the transaction.

1.09. The Willmar HRA and the Authority have recommended to the Council that the Council authorize the Willmar HRA to transfer the Projects to the Authority and authorize the Authority's ownership and operation of the Projects.

1.10. The Projects are the only properties and projects owned and operated by the Willmar HRA and, accordingly, upon transfer of the Projects to the Authority, the Willmar HRA desires to dissolve pursuant to an approved plan.

## Section 2. Findings.

2.01. The Council hereby finds that the Cooperation Agreement should be transferred from the Willmar HRA to the Authority, and that the Cooperation Agreement should be amended to acknowledge the Authority's statutory obligation to pay PILOTS to Kandiyohi County.

2.02. The Council hereby finds that there is a need for the Willmar HRA to transfer the Projects to the Authority and that there is a need for the Authority to own and operate the Projects.

2.03. The Council hereby finds that the Projects are the only properties owned and operated by the Willmar HRA and, accordingly, upon transfer of the Projects to the Authority, the Willmar HRA desires to dissolve pursuant to an approved plan.

## Section 3. Approval.

3.01. The Council hereby authorizes and approves the transfer of the Cooperation Agreement from the Willmar HRA to the Authority, and hereby authorizes and approves the amendment of the Cooperation Agreement to acknowledge the Authority's statutory obligation to pay PILOTS to Kandiyohi County.

3.02. The Council hereby approves, ratifies, confirms and directs the Mayor and the City Clerk to finalize, execute, accept and/or deliver the following documents and all other documents as may be required by HUD:

- a. Novation Agreement Transferring Cooperation Agreement to be entered into among the Authority, the Willmar HRA and the City; and
- b. First Amendment to Cooperation Agreement to be entered into between the Authority and the City.

3.03 The Council hereby authorizes and approves the transfer of the Projects from the Willmar HRA to the Authority and the Authority's ownership and operation of the Projects.

3.03 The Council hereby authorizes and approves the Willmar HRA's preparation of a plan of dissolution.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

Another item under Old Business was staff's presentation to the Committee of a summary of the Development Agreement between the City of Willmar and Jennie-O Turkey Store for the land transfer and tax increment financing programs recently approved by the Council. A question was asked regarding claw-back provisions within the agreement. Staff and the Committee discussed Section 3.5.2 of the agreement that deals with the company's requirement to pay back any or all of the business subsidies should they fail to meet the goals stated in the agreement. Staff explained that the closing was scheduled for July 1, 2014 and that there would not be another Council meeting prior to the closing. Therefore, staff recommended that the development agreement be approved. The Committee was recommending the Council adopt a resolution approving the Development Agreement and authorizing the Mayor and City Administrator to execute the agreement and real estate closing documents.

Council Member Dokken requested Planning and Development Services Director Bruce Peterson explain the clawback clause and developer and assistance agreements. It was noted the City has never had to exercise use of the clawback provision.

City Attorney Robert Scott then brought forth information relating to the motion to execute the agreement requesting to change the wording. He then explained the circumstances surrounding the required amendment. A motion was made by Council Member Fagerlie to amend the former motion to introduce a resolution to execute an agreement that is in substantial conformance to the agreement presented to the Council. Council Member Dokken seconded the motion, which carried.

Resolution No. 14 was introduced by Council Member Fagerlie, seconded by Council Member DeBlicke, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 14

BE IT RESOLVED by the City Council of the City of Willmar, a municipal corporation of the State of Minnesota, that the Mayor and City Administrator be authorized to enter into the Development Agreement by and between the City of Willmar, Minnesota and Jennie-O Turkey Store, Inc. for the 2014 Jennie-O Turkey Store Expansion. The Development Agreement shall be in substantial conformity with the draft Agreement dated May 30, 2014.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The Community Development Committee Report for June 12, 2014, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Fagerlie, seconded by Council Member Christianson, and carried.

Director of Community Education and Recreation Steve Brisendine presented the results of the Requests for Proposals for the Master Park Plan. Five proposals were received and it is staff recommendation to enter into an agreement with SRF Consulting Group, Inc. to create the Master Plan for the City parks that would be an addendum to the overall comprehensive plan that is currently being prepared.

Resolution No. 15 was introduced by Council Member Nelsen, seconded by Council Member Anderson, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 15

Whereas the City of Willmar desires to retain a firm to provide services for the Master Plan of Willmar Parks for the City of Willmar; and

Whereas a proposal has been made by, and an agreement prepared to retain the firm of SRF Consulting Group, Inc. of Minneapolis, Minnesota for an amount of \$47,950.00 for said services;

Now therefore be it resolved by the City Council of the City of Willmar that said agreement is approved and that the Mayor and City Administrator be authorized to execute the same.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

City Clerk Kevin Halliday gave a brief update on the City Auditorium. Samples were recently taken for asbestos with results pending. Duct work concerns and the possible removal of more ducting than anticipated was also made known.

The Council was then directed by staff to act pursuant to the Adoption of the Assessment Roll to take action to award the projects to the low bidder. City Clerk Kevin Halliday stated there are two projects that can be awarded at this time. Project No. 1401 to Duinick Inc. was considered first in the amount of \$966,788.83. Resolution No. 16 was introduced by Council Member Ahmann, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 16

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Duinick Inc. of Prinsburg, Minnesota for Project No. 1401 is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$966,788.83.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

The second contract for consideration was for Project No. 1404 to Vreeman Construction for the new construction of 12<sup>th</sup> Street SE in the amount of \$301,140.47. Resolution No. 17 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, reviewed by Mayor Yanish, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 17

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the bid of Vreeman Construction of Willmar, Minnesota for Project No. 1404 is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$301,140.47.

Dated this 16th day of June, 2014.

/s/ Frank Yanish  
MAYOR

/s/ Kevin Halliday  
Attest: CITY CLERK

There was no Old Business brought before the Council.

Under New Business it was suggested by Council Member Ahmann to have elected officials and staff meet to discuss plan options to better financially support a street reconstruction program and also how to reestablish the Industrial Park Redevelopment Fund.

Announcements for Council Committee meeting dates were as follows: Finance (CIP Work Session), June 23; Public Works/Safety, July 1; and Labor Relations, June 17, 2014

There being no further business to come before the Council, the meeting adjourned at 10:52 p.m. upon motion by Council Member Anderson, seconded by Council Member Ahmann, and carried.

Attest:

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
SECRETARY TO THE COUNCIL